

and Shanghai Banking Corporation, and the National Bank of Egypt. It is not true, however, of the Great French and German joint-stock banks, which have established offices in London in order to control the exchange business with their own countries. Eliminating these institutions, the paid-up capital of the colonial banks at the beginning of 1908 was £37,570,505, and of thirteen foreign banks owned in England and Scotland £11,549,700, making a total of about £49,120,000 (\$239,500,000). Deposits and current accounts were £250,876,431 in colonial banks and about £100,000,000 in these foreign banks, making a total of about £350,000,000 (\$1,707,000,000),¹ which was nearly equal to the individual deposits of all the national banks of the United States as recently as 1896. While these deposits are by no means concentrated entirely in London, but are scattered in fact over distant quarters of the earth, they give to English capital the control over exchange operations which made London throughout the nineteenth century the clearing house of both the commercial and financial operations of the world. It is of these institutions in Africa and Oceania that this chapter treats.

The National Bank of Egypt.

Egypt was without a bank of issue until the reforms of Lord Cromer had put the financial organization of the country upon a sound basis and rendered commercial banking possible. The National Bank of Egypt was founded with foreign capital, of which Sir Ernest Cassel was the representative of the British portion. The bank derived its authority from a Khedival decree of June 25, 1898, to which was appended a copy of the statutes, providing for a capital of £3,000,000 sterling, fully paid up.^a The bank was created as a private institution, governed by a council of twenty-two members, of whom four sat at London charged with special functions. The government, however, was allowed to name

¹These figures are from the London *Economist*, May 23, 1908* LXVI., 1089, and Supplement.

^a *Statuts de la National Bank of Egypt*, Art. 10,